

SECRETIII. MILITARY EFFECTSA. Quantitative and Qualitative Chinese Losses in Manpower and Materiel

US Army Reports claim that the Chinese Communists lost over 350,000 men during the period November 7, 1950 to April 29, 1951. The breakdown of losses is as follows:

Battle casualties	303,319
Non-battle casualties	49,814
Prisoners of War	3,413
	<u>356,546</u>

These losses are the more significant in view of the fact that they have taken place among the Fourth Field Army troops of Lin Piao. Lin's troops are among the PLA's best and include in addition to veteran Communist forces, a number of the best of the American-trained ex-Nationalist troops. It is believed that the 38th, 39th, 40th, 42d, and 50th Armies of the Fourth Field Army, as well as the 66th Army from North China, which have been in Korea for 4½ months, have been badly depleted.

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that the troops which replaced the Fourth Field Army when it moved north, were of a decidedly inferior quality.

The materiel losses already experienced have made the CCF more than ever dependent on Soviet supplies. Indicative of the lack of its own capacity to support Korean materiel requirements is the fact that the arsenals of China are reported to be able to manufacture only a little over 100 bullets per month for each of the 7.92 mm. rifles manufactured in one year. This figure does not take into consideration the number of bullets needed for the 7.92 mm. rifles already in existence. China has neither a motor vehicle manufacturing, nor an aircraft

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nor an aircraft manufacturing industry and its output of high explosives, military propellants, heavy artillery, and other complex types of armaments is insignificant. At the same time, it is believed that stocks of materiel and ammunition captured from the Nationalists and the Japanese have been nearly expended.

B. Security Tasks Within China

There is very little known unrest north of the Yangtze River, but the areas in the northwest, southwest, and south, and parts of East China are generally in a state of disquiet. The Moslems in Tsinghai and Sinkiang have not yet accepted the Communist regime and, despite extreme, repressive measures, have offered violent resistance to the regime.

In the southwest areas of Szechuan, Sikang, Kweichow, and Yunnan, some resistance, principally on the part of former Nationalist troops and guerrillas, requires continuous bandit suppression campaigns.

The area of most extensive resistance appears to be Central South China where the activities of disgruntled peasants and guerrillas have necessitated the use of large numbers of regular army troops, military district troops, plus an increasing number of militia. Although resistance was curtailed in the past month it has not been eliminated as indicated by CCF efforts to persuade the people to increase their efforts at suppressing bandits and counter-revolutionaries. The most recent claims released by the Central South China Military District headquarters claimed that more than 30,000 bandits were either killed or captured during March.

The most unsettled regions in East China are the mountainous regions of Fukien and Shantung, though banditry is reported prevalent throughout the area.

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area. Resistance in Shantung is interesting in view of the fact that it is an old "liberated area."

While unrest in the areas described is gradually being reduced, security and suppression measures necessitate large numbers of troops and militia for security purposes, that could otherwise be used in Korea, in Southeast Asia, or against Taiwan.

C. No State Contribution.

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E. Defections Among Military Groups

To date there have been no known large scale defections among the military. Next to the party itself they constitute the most highly indoctrinated group in China. They have also been generally well-fed, well-equipped, well-clothed, strictly disciplined, and orderly. Although these generalizations would apply to the regular Communist troops, there are indications that the indoctrination among the ex-Nationalist soldiers, who have been incorporated into the Communist forces, has not been as effective as is reported. The morale of the troops is generally good because in addition to good treatment they have been kept active with military training, political indoctrination, and production tasks. A few reports claim that morale has dropped during the past six months, but no firm evidence of this has yet been received. It is possible, however, that "liberation" troops have sustained a natural decline of morale from the high point reached after the first flush of victory in the conquest of the mainland or that the realization among some troops, who had hoped to be returned to their home areas or even to civilian life, that they will remain under arms indefinitely has produced some disgruntlement.

Repercussions of

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Repercussions of the Korean fighting have inevitably been felt among the military. There has been some evidence of a reluctance among troops, particularly local ones, to be sent to Korea. According to statements of possibly unrepresentative POW's, dissatisfaction stems from the serious hardship and heavy losses suffered, as well as from the inferiority of materiel compared to that of UN forces.

According to POW's there would be large scale defections if it were not for the strict control and surveillance maintained by the Communists over their forces. UN forces as of May 1 have taken only 3,413 prisoners in Korea.

It should be pointed out that although there has been no evidence of large scale defection from the Chinese Communist forces, neither have there been favorable conditions for defections. It has been claimed that some of the veteran Communist officers have become dissatisfied with the present leadership of the party, but it is extremely doubtful that they would ever surrender to the Nationalists. There are sources which claim that many of the ex-Nationalist troops might defect. However, at least some ex-Nationalist generals would fear heavy punishment from the Nationalists and their troops would demand guarantees that their lot would be improved over what it had been prior to "liberation."

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